



14th September, 2017

1. The Secretary
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street
MUMBAI 400 001.
Fax No. 022 - 2272 3121 / 3719 / 2037 / 2039 / 2041 / 2061
Scrip Code: 505242
2. The Secretary
National Stock Exchange of India Limited
"Exchange Plaza", Bandra-Kurla Complex,
Bandra East, MUMBAI 400 051.
Fax No.022 - 26598237 / 38
Scrip Code: DYNAMATECH

Sub: Institutional Investor Meeting

Ref: Scrip code: NSE: DYNAMATECH; BSE: 505242

Dear Sir,

We wish inform you that the, we have uploaded Earnings presentation for the quarter ended 30th June 2017 on our website. A copy of presentation has been enclosed.

We kindly request you to take this on record.

Thank you.

Yours faithfully,

for **DYNAMATIC TECHNOLOGIES LIMITED**

Naveen Chandra P

Head Legal, Compliance & Company Secretary

Enclosure: as above

DYNAMATIC TECHNOLOGIES LIMITED

Q1 FY2018 **EARNINGS** PRESENTATION



HYDRAULICS



AEROSPACE & DEFENCE



AUTOMOTIVE



DYNAMATIC TECHNOLOGIES LIMITED



BORN TO FLY

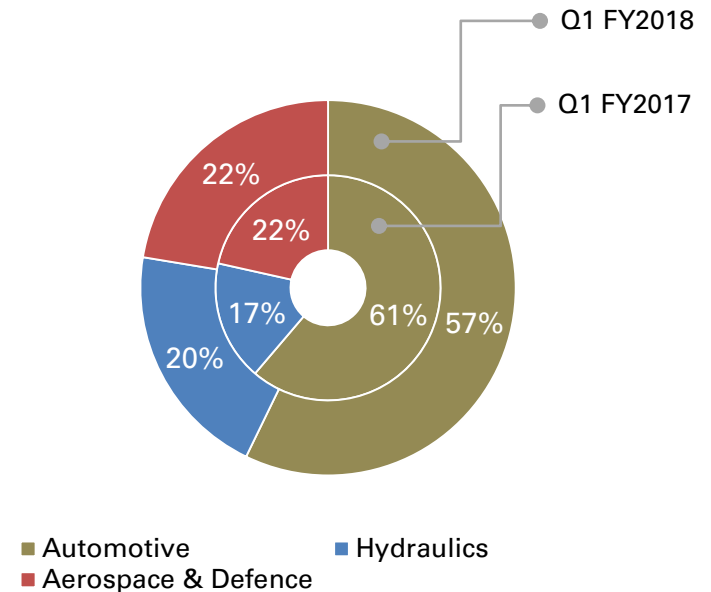


Q1 FY2018 PERFORMANCE HIGHLIGHTS

Y-o-Y Highlights

- Net Revenue of Rs. 3,148 mn; down 20.1% from Rs. 4,052 mn in Q1 FY17 primarily due to the impact of GST
- EBITDA of Rs. 217 mn; compared to Rs. 480 mn in Q1 FY17
 - EBITDA margin of 6.9%
- Debt/ Equity improved to 2.5x from 2.7x at the end of March 2017

Q1 FY2018 Revenue Breakup





PERFORMANCE HIGHLIGHTS

Management Commentary

Commenting on the results, **Mr. Udayant Malhoutra, CEO and Managing Director** said:

“Q1 FY2018 was outlined with one of the most momentous events in the history of Indian economy – the implementation of the Goods and Services Tax (GST). This coupled with IND-AS application has impacted our overall financials. Despite adopting stringent cost controls and optimization strategy, the orders offtake for the Hydraulics and Aerospace & Defence segments declined considerably. This is mainly on account of destocking by our customers towards the end of June 2017, at onset of GST. We believe it was a short term phenomenon and our orders are likely to uptick next quarter onwards. Further, although our Automobile segment may initially appear to have underperformed, but to enhance margins we have adopted the products rationalization strategy in our Germany operations. We are committed to perform well over the long term and therefore, we have been taking off all the low margin products from our automobile portfolio. This will continue to impact our automobile segment financials for few quarters but exponential benefits to be reaped there after.

Given Dynamatic Technologies has steered all the turbulences behind it, this has further enhanced our brand equity and reinforced our market position globally. We are proud to announce that we will become the sole supplier of cabin assemblies to Bell 407 helicopters from Q3 FY2018. It is expected to lead to volume expansion and continuous order flows. With a strategic focus on further enhancing our Aerospace business, we expect the ramp up of phase 2 of Airbus orders to driver performance in the near to mid term. Dynamatic Technologies is stepping towards the next level of growth and we remain committed to creating value for all our stakeholders.”



FINANCIAL PERFORMANCE SUMMARY

Consolidated Performance Highlights

Rs. Million	Q1		y-o-y Growth (%)	Q4	q-o-q Growth (%)
	FY18	FY17		FY17	
Revenue	3,148	3,939	(20.1)%	3,783	(13.9)%
EBITDA	217	480	(54.9)%	388	(38.2)%
<i>Margin (%)</i>	6.9%	12.2%		10.3%	
Profit After Tax (PAT)	(95)	128	nm	(75)	nm
<i>Margin (%)</i>	nm	3.3%		nm	
Basic EPS (Rs.)	(14.92)	20.22	nm	(11.76)	nm
Total comprehensive income	(40)	46	nm	-	-

- Q1 FY2018 Revenue declined 20.1% y-o-y. Revenues from Aerospace & Defence and Automotive segments decline by 16.9%% and 25.4%, respectively on a y-o-y basis
- Aerospace & Defence and Hydraulics segment largely impacted by GST implementation which delayed uptake from customers
- Q1 FY2018 EBITDA margin declined by 530 bps y-o-y due to weaker operating margin profile across all segments
- However, deliveries of all three new projects namely Airbus, Boeing and Bell are going as per schedule

Note: Financials for Q1 FY2018 and Q1 FY2017 are based on Ind-AS



PERFORMANCE HIGHLIGHTS

Foreign Exchange Fluctuation

Exchange Rate	Q1 FY2018	Q1 FY2017	Impact	Impact %	Q4 FY2017	Impact	Impact %
EURO vs. INR	71.02	75.57	(4.55)	(6.0)%	73.61	(2.58)	(3.5)%
GBP vs. INR	82.47	96.10	(13.63)	(14.2)%	87.71	(5.25)	(6.0)%
USD vs. INR	64.46	66.93	(2.48)	(3.7)%	67.09	(2.63)	(3.9)%

Impact due to change in average exchange rates (Y-o-Y)

Particulars	Q1 FY2018 vs. Q1 FY2017			Total Impact
	Erla	DL UK	JFTL	
<i>Currency</i>	EURO	GBP	EURO	
Revenue (Rs. mn)	(95.3)	(86.9)	(3.5)	(225.0)
EBITDA (Rs. mn)	(4.7)	(4.2)	(3.5)	(51.6)

- On a constant currency basis, Q1 FY2018 revenue, if adjusted for a foreign exchange impact of Rs. (225) mn would be Rs. 3,373 mn (representing a decline of 16.8% compared to 19.6% before adjustment)
- On a constant currency basis, Q1 FY2018 EBITDA, if adjusted for a foreign exchange impact of Rs. (52) mn would be Rs. 268 mn (compared to RS. 217 mn before adjustment)
- The Company has exposure to EUR, GBP and USD. The impact from transactions denominated in all of these currencies was unfavorable both on Y-o-Y and Q-o-Q basis

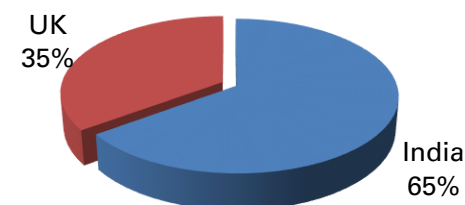


AEROSPACE AND DEFENCE SEGMENT

Financial Overview

Rs. million	Q1		y-o-y Growth (%)	Q4	q-o-q Growth (%)
	FY18	FY17		FY17	
Revenue	705	848	(16.9)%	902	(21.9)%
India	458	501	(8.6)%	653	(29.9)%
UK	247	348	(28.9)%	250	(0.9)%
EBITDA	132	277	(52.5)%	239	(44.9)%
<i>Margin (%)</i>	<i>18.7%</i>	<i>32.7%</i>		<i>26.5%</i>	
India	102	206	(50.3)%	200	(48.9)%
<i>Margin (%)</i>	<i>22.3%</i>	<i>41.1%</i>		<i>30.6%</i>	
UK	30	72	(58.8)%	39	(24.9)%
<i>Margin (%)</i>	<i>12.0%</i>	<i>20.6%</i>		<i>15.8%</i>	

Q1 FY18 Revenue Breakup



Performance Overview

- Significant impact on the operations as there was uncertainty in export procedure under GST which resulted in reversal of sales due to cut off procedure
- **Outlook:** Strong order book. New enquiries and orders to further strengthen the order book. Order execution for Airbus and Bell Helicopters continues at the new facility in Bangalore. Ramp up of phase 2 Airbus orders likely to drive performance going forward. Also, have become the sole supplier of cabin assemblies to Bell Helicopters. This will lead to volume expansion in the future
- **Strategy:** Developing capabilities in large aero-structural assemblies, composites, and high precision aero-structure design and engineering.

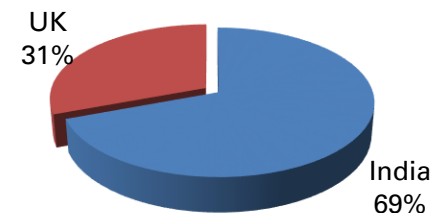


HYDRAULICS SEGMENT

Financial Overview

Rs. million	Q1		y-o-y Growth (%)	Q4	q-o-q Growth (%)
	FY18	FY17		FY17	
Revenue	643	681	(5.5)%	700	(8.2)%
India	446	442	0.8%	483	(7.8)%
UK	197	238	(17.2)%	217	(9.1)%
EBITDA	58	92	(36.3)%	116	(49.4)%
<i>Margin (%)</i>	<i>9.1%</i>	<i>13.5%</i>		<i>16.5%</i>	
India	59	75	(21.7)%	91	(35.6)%
<i>Margin (%)</i>	<i>13.2%</i>	<i>17.0%</i>		<i>18.9%</i>	
UK	(0)	17	<i>nm</i>	24	<i>nm</i>
<i>Margin (%)</i>	<i>(0.1)%</i>	<i>7.0%</i>		<i>11.3%</i>	

Q1 FY18 Revenue Breakup



Performance Overview

- Despite significant impact on the operations due to lower orders offtake toward the end of June, Indian operations continued strong performance and increased marginally
- On a constant currency basis, revenue from UK registered only marginal decline
- With a recently established sales office in the US, the Company expects to expand further in the North American market
- **Outlook:** Performance in India expected to remain strong on the back of improved farm sentiment and investment in the infrastructure sector. Started production of the new order in the UK; benefits to be realized during FY2018
- **Strategy:** Focus on OEM market and exports. Growth through replacement market and lean manufacturing systems

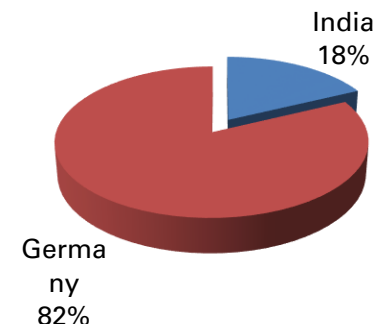


AUTOMOTIVE SEGMENT

Financial Overview

Rs. million	Q1		y-o-y Growth (%)	Q4	q-o-q Growth (%)
	FY18	FY17		FY17	
Revenue	1,801	2,415	(25.4)%	2,171	(17.1)%
India – M	183	200	(8.5)%	183	(0.1)%
India – F	237	284	(16.6)%	220	7.6%
India – F: Inter Co. Settlement	(97)	(179)	(45.6)%	(117)	
Germany	1,478	2,109	(29.9)%	1,885	(21.6)%
EBITDA	41	117	(65.1)%	88	(53.6)%
<i>Margin (%)</i>	2.3%	4.9%		4.1%	
India – M	(29)	(21)	39.7%	(33)	(12.9)%
<i>Margin (%)</i>	(15.8)%	(10.4)%		(18.2)%	
India – F	3	15	(83.7)%	5	(50.0)%
<i>Margin (%)</i>	1.1%	5.4%		2.3%	
Germany	67	123	(45.0)%	116	(41.9)%
<i>Margin (%)</i>	4.6%	5.8%		6.2%	

Q1 FY18 Revenue Breakup



Note:
 India – M: India – Machining
 India – F: India – Iron Foundry

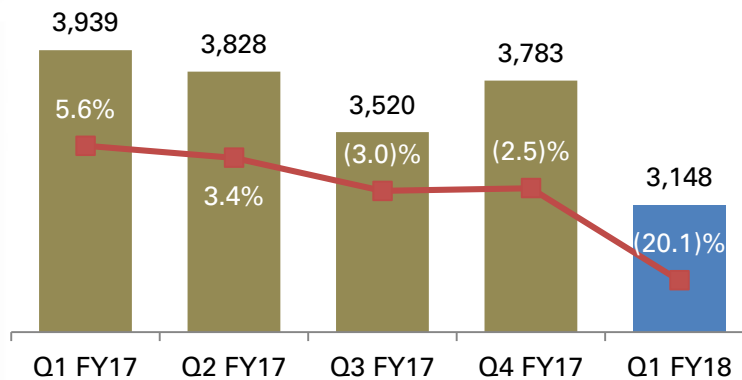
Performance Overview

- With focus on margin expansion, low margin products rationalization started during the quarter
- Adoption of such rationalization strategy impacted overall financials. However, positive synergy to be derived in next few quarters
- **Outlook:** Ramp up of new orders in India to begin starting FY2018. New machining facility commissioned in Germany to drive both revenue and profitability in the coming year
- **Strategy:** Focus on high margin product mix, exports, ramp-up of existing products, performance-critical components, customer diversification, steel castings & capacity utilization

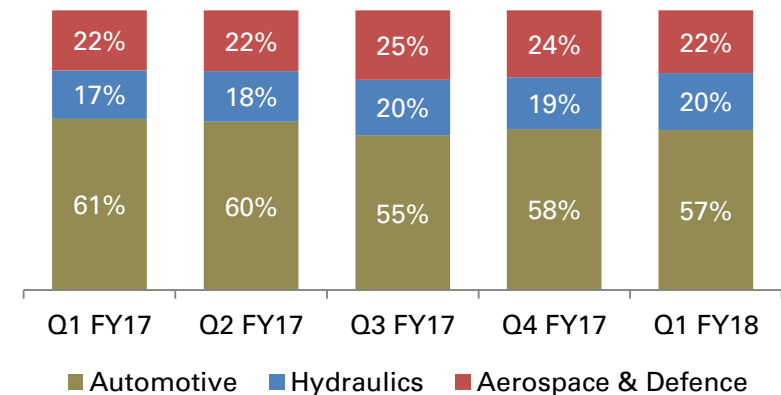


QUARTERLY FINANCIAL TRENDS

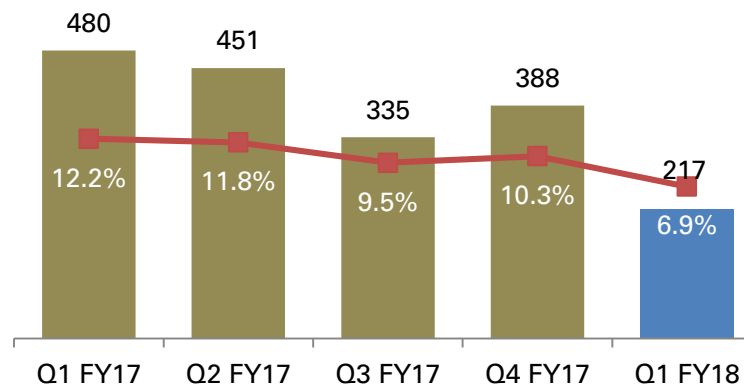
Revenue (Rs. mn) and Growth (Q-o-Q)



Segment Wise Revenue Contribution



EBITDA (Rs. mn) and Margin (%)



Note: Financials for Q1 FY2018 and Q1 FY2017 are based on Ind-AS

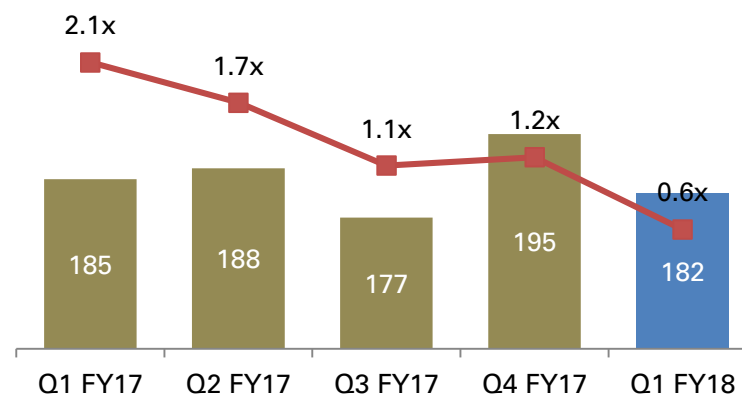


QUARTERLY FINANCIAL TRENDS

Capital Structure

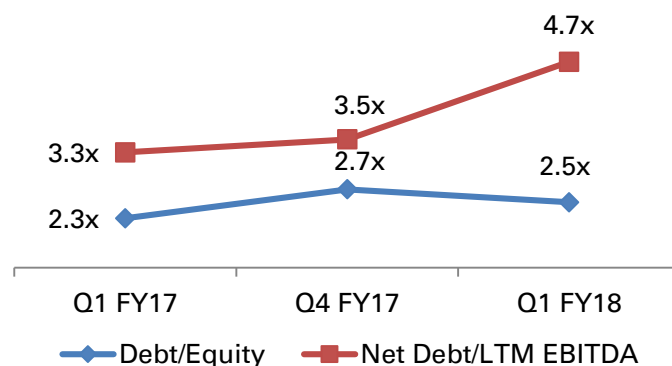
(Rs. million)	June 30, 2017	Mar 31, 2017
Long Term Borrowings	5,099	5,092
Short Term Borrowings	1,798	1,559
Total Debt	6,897	6,651
Less: Cash & Cash Equivalents	319	826
Net Debt	6,579	5,825
Net Worth	2,758	2,464

Interest Expense (Rs. mn) & Interest Coverage (x)



Note: Interest Coverage ratio = Operating Profit/Interest Expense

Net Debt/LTM EBITDA & Debt/Equity (x)



Credit Ratings

- India Rating & Research (a Fitch Group company) has assigned a long term issuer rating of "IND A-" with Stable outlook

Note: Short Term Borrowings and Net Worth for June 30, 2017 were higher due to the impact of Ind-AS



DYNAMATIC OVERVIEW

Diversified business

- A combination of stable and high growth businesses with highly engineered products for the automotive, hydraulic, aerospace and defense industries
- Successful track record of enhancing manufacturing capabilities through R&D and selective acquisitions

Competitive market position

- One of the world's largest manufacturers of hydraulic gear pumps and automotive turbochargers; leadership in hydraulic gear pumps market for over 35 years
- Has 65% share of the Indian organized tractor market, supplies to almost all OEMs in India
- Pioneer and leader in the Indian private sector for manufacture of high precision airframe structures and aerospace components. Tier I supplier to the global aerospace OEMs such as Airbus, Boeing, Bell Helicopters and HAL
- Manufactures high precision, complex metallurgical ferrous and aluminium castings for performance critical components such as turbochargers and exhaust manifolds and has capabilities to develop automotive components on single-source basis

Locational advantages

- Automotive facilities in Chennai, one of India's major automotive hubs and in Germany, a global auto OEM hub
- Aerospace and Defense facilities in Bangalore, headquarters of primary clients and in Bristol, UK's south west aerospace hub



DYNAMATIC OVERVIEW

Vertically Integrated Facilities

- Advanced iron foundry in India and Germany. Also has aluminium foundry in India for captive use
- Owns one of the most advanced ferrous foundries in Europe (Germany) capable of manufacturing highly intricate castings
- In-house division for design validation and optimization, analysis and prototypes
- Has 11 facilities across India (Bangalore, Chennai, Coimbatore, Nasik), UK (Swindon, Bristol) and Germany (Schwarzenberg)

R&D and Intellectual Property

- Owns 17 patents for various products in India and internationally
- Has the design IP for all the products manufactured in the Hydraulics segment
- R&D units recognized by Department of Scientific and Industrial Research, Government of India

Blue Chip Customers

- Automotive: Audi, BMW, Daimler, Ford, Hyundai, Nissan, Tata Motors, Volkswagen
- Hydraulics: Caterpillar, Cummins, Eicher, Escorts, John Deere, Mahindra & Mahindra, New Holland Fiat, Same Deutz-Fahr
- Aerospace and Defence: Airbus, Bell Helicopter, Boeing, GKN Aerospace, HAL, Spirit Aerosystems

Board and Management

- Highly qualified board and management team with significant industry experience
- 5 out of 11 Directors Independent



DYNAMATIC TECHNOLOGIES LIMITED

DYNAMATIC OVERVIEW

Combination of Stable and High Growth Businesses

AUTOMOTIVE

57.2% of Q1 FY18 Revenue

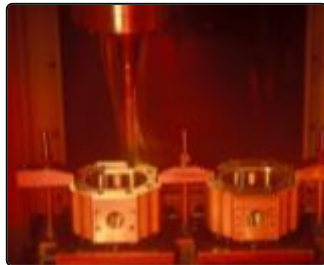


- Ferrous and non-ferrous automotive components including engine, transmission, turbocharger and chassis parts
- Metallurgical ferrous and aluminium castings

- Audi
- BMW
- Daimler
- Ford
- Hyundai
- Nissan
- Tata Motors
- Volkswagen

HYDRAULICS

20.4% of Q1 FY18 Revenue



- Hydraulic valves
- Hydraulic gear pumps
- Combined displacement pump packages
- Fan drive systems
- Fixed displacement pumps

- Caterpillar
- Eicher
- Escorts
- John Deere
- Mahindra & Mahindra
- New Holland Fiat
- Same Deutz-Fahr

AEROSPACE & DEFENCE

22.4% of Q1 FY18 Revenue



- Wings, rear fuselages, ailerons, wing flaps and major airframe structures
- Ramp structure assembly
- AFT Pylon assembly
- Defense products and solutions

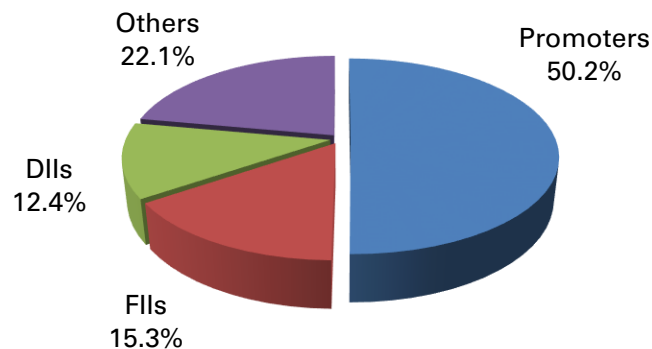
- Airbus
- Boeing
- Bell
- Spirit
- HAL

DYNAMATIC TECHNOLOGIES LIMITED



BLUE CHIP INVESTOR BASE

Shareholding Structure



Shareholding Pattern Trend

Shareholders	Dec-16	Mar-17	Jun-17
Promoters	50.3%	50.2%	50.2%
FIIIs	14.5%	14.7%	15.3%
DIIIs	13.1%	13.1%	12.4%
Others	22.1%	22.0%	22.1%
Total	100.0%	100.0%	100.0%

Key Institutional Investors

- Samena Capital and Citi Group
- HDFC Mutual Fund
- Alchemy and Group
- SBI Mutual Fund
- Goldman Sachs
- Mukul Agarwal and Group
- Premier Investment Fund
- Cyril Traders
- L&T Mutual Fund

Equity History

Year	Event	Equity Capital (Rs. mn)
1974	Initial Public Offering	2.9
1987	Rights Issue	11.2
1992	Rights Issue	21.0
1994	Rights Issue	31.5
1995	Bonus Issue	41.9
2008	Amalgamation	48.1
2008	Qualified Institutional Placement	54.1
2014	Preferential convertible warrants	60.4
2014	Qualified Institutional Placement	63.4



IMPORTANT NOTICE

This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Dynamatic Technologies’ (“Dynamatic” or the “Company”) future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Dynamatic Technologies undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.



DYNAMATIC TECHNOLOGIES LIMITED

CONTACT DETAILS

Mr. Hanuman Sharma

Executive Director and Group Chief Financial Officer

Dynamatic Technologies Limited

Dynamatic Park Peenya Industrial Area

Bangalore 560 058 India

T: +91 80 2839 4933 / 34 / 35

F: +91 80 2839 5823

E: hanuman.sharma@dynamatics.net

Mr. Naveen Chandra

Head – Legal, Compliance & Company Secretary

Dynamatic Technologies Limited

Dynamatic Park Peenya Industrial Area

Bangalore 560 058 India

T: +91 80 2839 4933 / 34 / 35

F: +91 80 2839 5823

E: naveen.c@dynamatics.net

www.dynamatics.net

CIN: L72200KA1973PLC002308